

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7889

BILL NUMBER: HB 1898

DATE PREPARED: Feb 23, 2001

BILL AMENDED: Feb 21, 2001

SUBJECT: Alternative Utility Regulation

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill repeals IC 8-1-2.5 concerning alternative utility regulation.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) The repeal of IC 8-1-2.5 will have a minimal impact on the administrative costs of the Indiana Utility Regulatory Commission (IURC) and the Office of the Utility Consumer Counselor. Only one company has filed a petition under this program.

Regulatory Flexibility Committee: This bill would remove the requirement that Regulatory Flexibility Committee meet to study topics related to changes and competition in the energy utility industry. To the extent that this provision could reduce the expense incurred by the Committee, the state expenditures could be slightly reduced. Funds and staff for the Regulatory Flexibility Committee are provided by the Legislative Services Agency, using General Fund appropriations.

Explanation of State Revenues: (Revised) The Indiana Utility Regulatory Commission and the Office of the Utility Consumer Counselor are funded by public utilities. The annual fee charged to utilities is based on the budgets of these two agencies. At the end of the fiscal year, if the total public utility fees in the Public Utility Fund plus the unspent balance of the Fund exceeds the total appropriations for the IURC and the OUCC (plus a \$250,0000 contingency fund), then the IURC must compute each utility's share of the excess. This share is then deducted from any subsequent payment of the utility's public utility fees. In FY 2000, public utility fines and fees generated \$8,053,986.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Indiana Utility Regulatory Commission; Office of the Utility Consumer Counselor; Legislative Services Agency.

Local Agencies Affected:

Information Sources: Mike Leppert, 232-2712, Indiana Utility Regulatory Commission.